



---

# Treasury Financial Manual

---

**Transmittal Letter No. 690**

**Volume I**

**To: Heads of Government Departments, Agencies, and Others Concerned**

## **1. Purpose**

This transmittal letter releases revised TFM Volume I, Part 6, Chapter 5100: Recovering Unclaimed Federal Financial Assets. This chapter provides guidance to Federal agencies regarding their obligation to locate, recover, and account for unclaimed Federal financial assets (“unclaimed assets”). It also:

- Provides guidance on developing procedures for locating, recovering, and accounting for unclaimed assets;
- Describes the role of the Department of the Treasury’s Bureau of the Fiscal Service in locating and recovering unclaimed assets on behalf of Federal agencies;

AND

- Provides guidelines on the use of private sector professionals known as “finders” to locate and recover unclaimed assets.

## **2. Page Changes**

### **Remove**

Table of Contents for Part 6 (T/L 686)

I TFM 6-5100 (T/L 581)

### **Insert**

Table of Contents for Part 6

I TFM 6-5100

## **3. Effective Date**

This transmittal letter is effective immediately.

#### 4. Inquiries

Direct any questions concerning this transmittal letter to:

Unclaimed Federal Financial Assets Program  
Bureau of the Fiscal Service  
Department of the Treasury  
PO Box 149058  
Austin, TX 78714  
Telephone: 512-342-7265  
Fax: 512-342-7230  
Email: [Unclaimed.Assets@fms.treas.gov](mailto:Unclaimed.Assets@fms.treas.gov)

A handwritten signature in black ink, appearing to read 'D. Lebryk', with a stylized flourish at the end.

Date: February 21, 2013

David A. Lebryk  
Commissioner

## Part 6 – Chapter 5100

# RECOVERING UNCLAIMED FEDERAL FINANCIAL ASSETS

This chapter provides guidance to Federal agencies regarding their obligation to locate, recover, and account for unclaimed Federal financial assets (“unclaimed assets”). It:

- Provides guidance on developing procedures for locating, recovering, and accounting for unclaimed assets;
- Describes the role of the Department of the Treasury’s (Treasury’s) Bureau of the Fiscal Service (BFS) in locating and recovering unclaimed assets on behalf of Federal agencies;

AND

- Provides guidelines on the use of private sector professionals known as “finders” to locate and recover unclaimed assets.

### Section 5110—Background and Introduction

BFS is responsible for the efficient collection of Government receipts. In carrying out this responsibility, BFS establishes Governmentwide policies and guidelines regarding the efforts of Federal agencies to locate, recover, and account for unclaimed Federal financial assets (“unclaimed assets”). BFS also administers a program to recover unclaimed assets on behalf of Federal agencies.

Unclaimed assets, also known as “abandoned property,” refer to many types of federally owned monetary assets held by State or local governments, financial institutions, corporations, and other entities that have had no recorded activity or contact from the owner for 1 year or longer. Unclaimed assets may be recovered by Federal agencies from various sources, including States that have enacted unclaimed property laws for the protection of these assets until they are claimed. These laws generally require persons to surrender unclaimed assets to the custody of the State when the rightful owner of the property cannot be located.

### Section 5115—Authority

Authorities for the procedures set forth in this chapter are found in:

- 31 U.S.C. § 321 (describing that the role of the Secretary of the Treasury includes “improving and managing receipts of the United States Government”);
- 31 U.S.C. § 3301 (describing that the role of the Secretary of the Treasury is, among other things, “to receive and keep public money”);

AND

- 31 U.S.C. § 3718 (authorizing agencies, among other things, “to enter into a contract with a person...to locate or recover assets of, the United States Government”).

### Section 5120—Definitions

The following terms are defined for the purposes of this TFM chapter:

**Agency or Federal Agency**—A department, agency or subagency, court,

court administrative office, or instrumentality in the executive, judicial, or legislative branch of the Federal Government, including Government corporations.

**Finder**—A person who, for a fee, attempts to locate and recover unclaimed assets on behalf of others. A finder also may be referred to as an “heir finder,” “heir searcher,” “researcher,” “asset recovery contractor,” or “asset investigative agency.”

**Holder**—A person or an agency that holds assets for the account of, or delivers or pays assets to, the owner of an unclaimed asset.

**Owner**—The agency or person entitled to receive or having a legal or equitable interest in an unclaimed asset, or the agency’s or the person’s legal representative.

**Person**—An individual, organization, corporation, company, or other entity, other than an agency.

**States**—The 50 United States, the District of Columbia, the Territories of American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the Virgin Islands.

**Superior Claim**—A legitimate claim submitted to the holder by the owner (or an additional owner) of an asset claimed by the agency that has priority over the claim of the agency to the asset.

**Unclaimed Assets**—Federally owned or partially federally owned monetary assets held by holders that have had no recorded activity or contact from the owner for a certain period of time. When a holder determines an asset is unclaimed, the holder is generally required to report and surrender the unclaimed asset to the appropriate State. This process is governed by State law and may differ from State to State. Unclaimed assets also may be referred to as “unclaimed Federal financial assets” or “abandoned property.”

**Unclaimed Asset Recovery Official**—The agency official who is responsible for the recovery of the agency’s unclaimed assets.

---

## Section 5125—Location and Recovery of Unclaimed Assets

Agencies must designate an unclaimed asset recovery official and must establish internal procedures for the recovery of unclaimed assets.

### 5125.10a—Designating an Unclaimed Asset Recovery Official

Federal agencies must designate at least one unclaimed asset recovery official. The unclaimed asset recovery official must ensure that the agency establishes and follows procedures per the guidelines in this chapter.

Each agency must send the name, mailing and email addresses, telephone number, and fax number of its unclaimed asset recovery official to BFS (see the Contacts page).

### 5125.10b—Establishing Agency Procedures

A Federal agency must establish and implement procedures to locate and recover its unclaimed assets. The

agency’s procedures must indicate which of the following methods it will use to locate and recover its unclaimed assets:

- Use internal agency efforts to locate and recover unclaimed assets;
- Ask BFS to locate and recover unclaimed assets on the agency’s behalf;

OR

- Enter into contracts with finders, after obtaining BFS’s approval of the agency’s asset recovery procedures.

The agency’s procedures also must include how the agency:

- Responds to superior claim requests;
- Deposits recovered assets into the appropriate Treasury account;

AND

- Maintains records related to unclaimed asset location and recovery activities.

Except as otherwise agreed upon by BFS and an agency, BFS, as it deems feasible and appropriate, locates and recovers unclaimed assets on behalf of all Federal agencies per the guidelines in this chapter.

---

## Section 5130—Guidelines on Procedures for Federal Agency Management of Unclaimed Assets

This section applies to Federal agencies that recover their unclaimed assets by using internal agency efforts.

### 5130.10—Locating Unclaimed Assets

Federal agencies must review the records of relevant holders to locate possible unclaimed assets belonging to the agency.

Each State has a process for researching unclaimed assets. Many States use the same general approach and allow searches of their databases at no cost. The Web site at

<http://www.unclaimed.org> contains direct links to unclaimed asset Web sites for all participating States. In addition to reviewing the information available on States’ public Web sites, agencies, when feasible and cost effective, should conduct further research to determine whether the States’ records include relevant information not available on the public Web sites.

### 5130.20—Preparing Necessary Documents to Claim and Recover Unclaimed Assets

When an agency locates an unclaimed asset belonging to the agency, it should submit a claim to the holder for the unclaimed asset. When an agency locates multiple unclaimed assets belonging to the agency from a single State or other holder, the agency generally should combine its claims for all the unclaimed assets into a single claim form rather than submitting separate claim forms for each separate claim. Federal agencies generally should not submit a claim for an asset if the cost of recovering the asset is expected to exceed the amount of the asset.

Each State has a process for claiming assets. Many States use the same forms and procedures. Agencies can research those procedures by accessing State Web sites at <http://www.unclaimed.org>. These State Web sites provide addresses, telephone numbers, points of contact, and other helpful information for completing forms and submitting claims. Some State Web sites allow a Federal agency to complete the claim process online or provide a claim form that the agency can download, complete, print, and mail to the State. Other State Web sites contain instructions for requesting claim forms. To the extent permissible under Federal law, Federal agencies should follow a State’s procedures.

As a condition for the return of an unclaimed asset, most States ask the person making the claim, including Federal agency personnel, to indemnify the State against any and all liabilities that the State may incur as a result of returning the asset to that person. States

may request this indemnification either on the claim form itself or in a separate document. Many States will request this indemnification to protect themselves against superior claims. Federal agencies, however, generally lack authority to provide the requested indemnification.

Instead of indemnification, most States accept a notarized affidavit in which the agency states that, if a superior claim for the asset is received and properly honored by the State, then the agency will return the payment received as authorized under Federal law. See, for example, 31 U.S.C. § 1322(b)(2). A Federal agency should consult with its counsel to ensure compliance with all applicable legal requirements.

When appropriate, an agency should include with its claim and associated documentation a cover letter signed by the unclaimed asset recovery official. BFS provides sample cover letters, affidavits, and other types of documentation upon request (see the Contacts page). A Federal agency should consult with its counsel to ensure compliance with all applicable legal requirements before signing claim forms and other documents required to recover an unclaimed asset.

### **5130.30—Depositing Assets and Acknowledging Receipt of the Claim Payment**

Unless authorized by law to deposit proceeds from the recovery of unclaimed assets into specific trust funds or other accounts, upon receipt of such proceeds, Federal agencies must immediately deposit proceeds into the agency's account 1060, "Forfeitures of Unclaimed Money and Property," [see the Federal Account Symbols and Titles (FAST) Book at <http://fms.treas.gov/fastbook/index.html>].

### **5130.40—Returning Assets Erroneously Received and Deposited**

If a holder receives a claim for an asset previously claimed and received by an agency, the holder may ask the agency to return the asset. The agency must review the claim, and if the agency determines that the claim is a superior claim, then the agency should return the asset to the holder or other appropriate person. The return of these assets generally may be paid from Treasury account 1807, "Refund of Moneys Erroneously Received and Covered," pursuant to 31 U.S.C. § 1322(b)(2). See the FAST Book and Treasury Financial Manual, (TFM) Volume I, Part 6, Chapter 3000. An agency should consult with its counsel to ensure compliance with all legal requirements.

---

### **Section 5135—Unclaimed Asset Recovery by BFS on Behalf of Federal Agencies**

This section describes the circumstances under which BFS recovers unclaimed assets on behalf of a Federal agency.

Except as otherwise agreed upon by BFS and an agency, BFS, as it deems feasible and appropriate, locates and recovers unclaimed assets. Generally, the circumstances under which BFS locates and recovers unclaimed assets on behalf of a Federal agency are:

- Upon receiving a written request by the agency asking BFS to locate and recover unclaimed assets on the agency's behalf.
- When the agency has not informed BFS that it will recover unclaimed assets through either internal agency efforts or through a finder.
- When BFS discovers that the agency has not made a timely recovery effort to recover unclaimed assets, despite having informed BFS that the agency will recover unclaimed assets

through either internal agency efforts or through a finder. A "timely recovery effort" is evidenced by the Federal agency's submission of a claim package to the appropriate holders within 2 years of when the unclaimed asset was reported to the State or, in the case of assets that are exempt from the requirement that they be remitted to the appropriate State, within 2 years of the property becoming unclaimed or abandoned.

When recovering unclaimed assets on behalf of a Federal agency, BFS generally follows the guidelines in Section 5130.

If applicable, an agency must explain to BFS, in writing, why BFS should not locate and recover unclaimed assets on its behalf pursuant to the guidelines in Section 5130.

---

### **Section 5140—Using Finders To Recover Unclaimed Federal Financial Assets**

This section applies when a Federal agency uses a finder to locate and recover unclaimed assets on its behalf.

### **5140.10—Approval Process for Using Finders**

Federal agencies are authorized to enter into contracts with persons to locate or recover assets of the United States and to pay fees from amounts recovered pursuant to 31 U.S.C. § 3718(a) and (d). Before entering into such a contract, the Federal agency must have established procedures, approved by BFS, for the location and recovery of unclaimed assets. BFS's approval of an agency's procedures is not necessary if an agency searches for unclaimed assets with its own personnel and does not engage finders.

To obtain approval of its unclaimed asset procedures from BFS, the Federal agency submits a written request for approval to BFS (see the Contacts page).

### 5140.20—Contracting With Finders

An agency may enter into contracts with finders after BFS has approved its unclaimed asset recovery procedures. Such contracts must comply with all applicable laws, including laws related to Government contracts. Many States require that finders be licensed to locate unclaimed assets on behalf of owners. Before entering into contracts with a finder, a Federal agency should consult with its procurement office and counsel to ensure compliance with all relevant requirements.

The Federal agency should consider the following when entering into contracts with finders:

- Finders should conduct ongoing searches of State records, as well as non-State records (including those of Federal, State, and local courts; local governments; and private entities that may hold assets belonging to the United States).
- Finders should provide any assistance to the Federal agency needed to recover any unclaimed assets the finder locates. State law may limit the information that the State will make available to a person other than the owner of the unclaimed asset. Federal agencies should contact each State's unclaimed assets office for specific information.
- All assets must be recovered in the name of the agency. All claim documents, letters, or claim requests generally must be signed by the Federal agency's official who is authorized to claim the unclaimed assets on behalf of the agency. It is generally inappropriate for a finder to sign documents on behalf of the

Federal Government or for a Federal agency to provide a finder with a power of attorney. An agency should consult with its counsel to determine the extent to which finders can assist the agency with the recovery process.

- When a finder locates an unclaimed asset, the finder must have the holder deliver the asset directly to the agency so that the agency can promptly deposit the funds into its 1060 account, "Forfeitures of Unclaimed Money and Property." If unclaimed assets are delivered to the finder, then the finder must deliver the asset to the agency within 1 business day of receipt.
- Finders should provide the agency with any and all information obtained in the performance of services regarding the unclaimed assets. An agency should maintain detailed records of all recovered unclaimed assets, per the agency's record retention rules, for the purpose of evaluating a potential superior claim.
- If the agency agrees, a finder, as part of its services, may from time to time employ in-house or outside legal representation when, in the judgment of the finder, it is necessary to expedite the process of recovering an unclaimed asset. This legal service must be at the sole expense of the finder. A finder should not be authorized to enter into any agreement or retainer relationship with any outside legal firm without the prior written consent of the agency. Legal counsel hired by finders represents the finders only. Neither finders nor their legal counsel may present

themselves as legal representatives of the United States, unless the agency has specific authority to retain private counsel for such purposes and the agency specifically authorizes such representation.

- If an agency must return an asset because it was received in error or because an owner asserted a superior claim for the asset, the finder must not earn, and must return, any fee paid by the agency for locating and recovering the asset. In such instances, the finder must refund any payment it has received from the agency with respect to the asset within 2 business days of the agency making demand for such refund.

A Federal agency may compensate finders from amounts recovered. See 31 U.S.C. § 3718(d). Fees are deemed earned and payable only after the agency receives the unclaimed asset. Finders receive no fees unless an unclaimed asset is actually recovered and deposited into the agency's account 1060 or other appropriate Treasury account.

The total proceeds of an unclaimed asset located by the finder must be paid directly to the agency. The finder is not authorized to deduct fees or any other amounts from the proceeds of the unclaimed asset. The agency generally deposits the total amount of the recovered unclaimed asset into the appropriate agency account. Payment to the finder can be made from an appropriate account per the agency's procedures for paying contractors. The agency must pay the finder's fee by electronic funds transfer payable to an account designated in the contract (see 31 U.S.C. § 3332).

## **CONTACTS**

### ***Direct inquiries concerning this chapter to:***

Unclaimed Federal Financial Assets Program  
Bureau of the Fiscal Service  
Department of the Treasury  
PO Box 149058  
Austin, TX 78714  
Telephone: 512-342-7265  
Fax: 512-342-7230  
Email: [Unclaimed.Assets@fms.treas.gov](mailto:Unclaimed.Assets@fms.treas.gov)

This page was intentionally left blank.



## PART 6 - OTHER FISCAL MATTERS

### TABLE OF CONTENTS

Chapter	Section	Title
<b>1000</b>		<b>INTRODUCTION</b>
	1010	Scope and Applicability
	1015	Authority
	1020	Contacts Page
	1025	Forms
	1030	Distribution
		Contacts
<b>3000</b>		<b>PAYMENTS OF UNCLAIMED MONEYS AND REFUND OF MONEYS ERRONEOUSLY RECEIVED AND COVERED</b>
	3010	Authority
	3015	Responsibility of Agencies To Dispose of Unclaimed Moneys
	3020	Review of Agency Unclaimed Money Accounts
	3025	Procedures for Transferring Unclaimed Moneys
	3030	Reporting of Transfers
	3035	Settlement Action
	3040	Payments Made from Account 20X6133, "Payment of Unclaimed Moneys"
	3045	Procedures for Using Account 20X1807, "Refund of Moneys Erroneously Received and Covered"
	3050	Payments from Account 20X1807
	3055	Internal Audit by Agencies
	3060	Maintenance of Records
	3065	Special Reporting
		Contacts
<b>3100</b>		<b>CERTIFYING PAYMENTS AND RECORDING CORRESPONDING INTRAGOVERNMENTAL RECEIVABLES IN THE FEDERAL GOVERNMENT'S JUDGMENT FUND</b>
	3110	Scope and Applicability
	3115	Authority
	3120	The Financial Management Service's (FMS's) Role in Certifying Payments From the Judgment Fund
	3125	General Guidance for Certification of Payments
	3130	Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten To Commit, or Support Terrorism
	3135	Agencies' Reimbursement Obligations
	3140	Accounting Requirements for Judgment Fund Payments and Reimbursements
		Contacts
		Appendices
		1. FMS Form 194: Judgment Fund Transmittal
		2. FMS Form 196: Judgment Fund Award Data Sheet

Chapter	Section	Title
		3. FMS Forms 197 I: Instructions for FMS Form 197: Voucher for Payment FMS Form 197: Judgment Fund Voucher for Payment
<b>3200</b>		<b>POLICY FOR PROVIDING DEPOSITARY AND OTHER FINANCIAL SERVICES TO FEDERAL AGENCIES</b>
	3210	Background
	3215	Authority
	3220	Legally Required Services
	3225	Legally Authorized Services
	3230	Existing and Best-Suited FMS Collections and Payment Mechanisms
	3235	Criteria for Determining Whether a Financial Service Will Be Provided on a Reimbursable or Nonreimbursable Basis
	3240	Economy Act Considerations
		Contacts
<b>4000</b>		<b>INTRA-GOVERNMENTAL PAYMENT AND COLLECTION (IPAC) SYSTEM</b>
	4010	Authority
	4015	Introduction
	4020	Definitions
	4025	Originating Intragovernmental/IPAC Transactions
	4030	Recording and Reporting Automated Interagency Transactions
	4035	Adjustments of Erroneous Charges
	4040	Restrictions
		Contacts
<b>5100</b>		<b>RECOVERING UNCLAIMED FEDERAL FINANCIAL ASSETS</b>
	5110	Background and Introduction
	5115	Authority
	5120	Definitions
	5125	Location and Recovery of Unclaimed Assets
	5130	Guidelines on Procedures for Federal Agency Management of Unclaimed Assets
	5135	Unclaimed Asset Recovery by BFS on Behalf of Federal Agencies
	5140	Using Finders To Recover Unclaimed Federal Financial Assets
		Contacts
<b>7000</b>		<b>REPORTING INTEGRATED FUNDING TRANSACTIONS OF FEDERAL ASSISTANCE PROGRAMS</b>
	7010	Scope and Applicability
	7015	Authority
	7030	Definitions
	7040	Reporting Requirements
	7050	Operating Requirements
	7095	Inquiries
		Appendix: SF 224 (Illustration)

<b>Chapter</b>	<b>Section</b>	<b>Title</b>
<b>8000</b>		<b>CASH MANAGEMENT</b>
	8010	Scope and Applicability
	8015	Authority
	8020	Definition of Terms
	8025	Billings and Collections
	8030	Deposits
	8040	Disbursements
	8050	Cash Advances
	8060	Cash Held Outside Treasury
	8065	Restrictions on Financial Transactions with Foreign Countries and International Organizations
	8070	Foreign Currency
	8075	Review, Monitoring, and Reporting of Agency Cash Management
	8080	Noncompliance with Collection, Deposit or Disbursement Improvements
	8085	Cash Management Improvements Fund (CMIF)
	8090	Waivers, Exemptions, and Other Applicable Regulations
		Contacts
<b>8500</b>		<b>CASH FORECASTING REQUIREMENTS</b>
	8510	Scope and Applicability
	8515	Authority
	8520	Background and Concepts
	8525	Definitions
	8530	General Large Dollar Notification Reporting Requirements for Deposits and Disbursements
	8535	Reporting Requirements for Daily Disbursements
	8540	Reporting Requirements for Defense Department EFT Vendor Payments
	8545	Reporting Requirements for U.S. Military EFT Payroll
	8550	Other Reporting Requirements for Cash Forecasting
		Contacts
		Appendices
		1. Examples of Large Deposits and Disbursements for Which Agencies Must Report LDNs to FMS's Cash Forecasting Division
		2. FMS Form 187: Agency Report for Treasury Cash Forecasting Advance Notice of Large Deposits or Disbursements of \$50 Million or More
<b>9000</b>		<b>SECURING GOVERNMENT DEPOSITS IN FEDERAL AGENCY ACCOUNTS</b>
	9010	Applicability
	9015	Authority
	9020	Definitions
	9025	Responsibilities for Public Money
	9030	Selection of a Depository
	9035	Establishing a Federal Agency Collateral Account

Chapter	Section	Title
	9040	Securing Agency Accounts
	9045	Pledging Collateral
	9050	Releasing Collateral
	9055	Monitoring Collateral Levels
	9060	Mergers and Insolvencies
		Contacts